**STATE RISK MANAGEMENT FUND**
**INVESTMENT PERFORMANCE REPORT AS OF MARCH 31, 2008**

| | March-08 | | | | December-07 | | | | September-07 | | | | Current FYTD | Prior Year FY07 | 3 Years Ended 6/30/2007 | 5 Years Ended 6/30/2007 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Allocation | | Quarter | | Allocation | | Quarter | | Allocation | | Quarter | | | | |
| | Market Value | Actual | Policy | Net ROR | Market Value | Actual | Policy | Net ROR | Market Value | Actual | Policy | Net ROR | Net | Net | Net | Net |
| **LARGE CAP DOMESTIC EQUITY** | | | | | | | | | | | | | | | | |
| ***Structured Growth*** | | | | | | | | | | | | | | | | |
| Los Angeles Capital | 116,985 | 3.2% | 3.4% | -10.91% | 119,624 | 3.2% | 3.4% | -1.50% | 127,501 | 3.4% | 3.4% | 0.38% | -11.91% | 21.84% | 13.35% | N/A |
| **Total Structured Growth** | **116,985** | **3.2%** | **3.4%** | **-10.91%** | **119,624** | **3.2%** | **3.4%** | **-1.50%** | **127,501** | **3.4%** | **3.4%** | **0.38%** | **-11.91%** | **21.84%** | **13.35%** | **10.94%** |
| *Russell 1000 Growth* | | | | *-10.18%* | | | | *-0.77%* | | | | *4.21%* | *-7.12%* | *19.04%* | *8.70%* | *9.28%* |
| ***Structured Value*** | | | | | | | | | | | | | | | | |
| **LSV** | **115,947** | **3.2%** | **3.4%** | **-9.73%** | **117,021** | **3.1%** | **3.4%** | **-5.53%** | **124,303** | **3.3%** | **3.4%** | **-0.89%** | **-15.48%** | **23.77%** | **19.00%** | **16.55%** |
| *Russell 1000 Value* | | | | *-8.72%* | | | | *-5.80%* | | | | *-0.24%* | *-14.22%* | *21.87%* | *15.93%* | *13.31%* |
| ***Russell 1000 Enhanced Index*** | | | | | | | | | | | | | | | | |
| **LA Capital** | **234,511** | **6.4%** | **6.8%** | **-10.22%** | **237,944** | **6.4%** | **6.8%** | **-1.07%** | **253,828** | **6.8%** | **6.8%** | **0.24%** | **-10.96%** | **21.27%** | **13.46%** | **N/A** |
| *Russell 1000* | | | | *-9.48%* | | | | *-3.23%* | | | | *1.98%* | *-10.67%* | *20.43%* | *12.34%* | |
| ***S&P 500 Enhanced Index*** | | | | | | | | | | | | | | | | |
| **Westridge** | **265,903** | **7.3%** | **6.8%** | **-9.12%** | **266,676** | **7.1%** | **6.8%** | **-3.04%** | **281,306** | **7.5%** | **6.8%** | **2.18%** | **-9.96%** | **21.12%** | **11.98%** | **N/A** |
| *S&P 500* | | | | *-9.44%* | | | | *-3.33%* | | | | *2.03%* | *-10.68%* | *20.59%* | *11.68%* | |
| ***Index*** | | | | | | | | | | | | | | | | |
| State Street | 86,696 | | | -10.81% | 72,386 | | | -6.37% | 77,081 | | | -0.80% | -17.15% | 21.82% | 12.34% | 11.08% |
| **Total 130/30** | **86,696** | **2.4%** | **2.3%** | **-10.81%** | **72,386** | **1.9%** | **2.3%** | **-6.37%** | **77,081** | **2.1%** | **2.3%** | **-0.80%** | **-17.15%** | **21.82%** | **12.34%** | **11.08%** |
| *S&P 500* | | | | *-9.44%* | | | | *-3.33%* | | | | *2.03%* | *-10.68%* | *20.59%* | *11.68%* | *10.71%* |
| ***TOTAL LARGE CAP DOMESTIC EQUITY*** | ***820,042*** | ***22.5%*** | ***22.5%*** | ***-9.94%*** | ***813,651*** | ***21.7%*** | ***22.5%*** | ***-2.89%*** | ***864,019*** | ***23.1%*** | ***22.5%*** | ***0.62%*** | ***-12.01%*** | ***21.86%*** | ***13.76%*** | ***12.22%*** |
| *S&P 500* | | | | *-9.44%* | | | | *-3.33%* | | | | *2.03%* | *-10.68%* | *20.59%* | *11.68%* | *10.71%* |
| **SMALL CAP DOMESTIC EQUITY** | | | | | | | | | | | | | | | | |
| ***Manager-of-Managers*** | | | | | | | | | | | | | | | | |
| **SEI** | ***138,987*** | ***3.8%*** | ***3.8%*** | ***-11.46%*** | ***134,084*** | ***3.6%*** | ***3.8%*** | ***-6.35%*** | ***143,023*** | ***3.8%*** | ***3.8%*** | ***-3.66%*** | ***-20.12%*** | ***18.39%*** | **13.70%** | **14.37%** |
| *Russell 2000 + 200bp* | | | | *-9.43%* | | | | *-4.09%* | | | | *-2.60%* | *-15.40%* | *18.76%* | *15.72%* | *16.16%* |
| ***Enhanced*** | | | | | | | | | | | | | | | | |
| **Research Affiliates** | ***138,683*** | ***3.8%*** | **3.8%** | **-6.75%** | ***127,077*** | ***3.4%*** | **3.8%** | **-7.00%** | ***136,366*** | ***3.6%*** | **3.8%** | **N/A** | **N/A** | **N/A** | **N/A** | **N/A** |
| *Russell 2000* | | | | *-9.90%* | | | | *-4.58%* | | | | *-3.09%* | *-16.68%* | | | |
| ***TOTAL SMALL CAP DOMESTIC EQUITY*** | ***277,671*** | ***7.6%*** | ***7.5%*** | ***-9.17%*** | ***261,161*** | ***7.0%*** | ***7.5%*** | ***-6.67%*** | ***279,389*** | ***7.5%*** | ***7.5%*** | ***-4.98%*** | ***-19.45%*** | ***18.39%*** | ***13.70%*** | ***14.37%*** |
| *Russell 2000* | | | | *-9.90%* | | | | *-4.58%* | | | | *-3.09%* | *-16.68%* | *16.44%* | *13.45%* | *13.88%* |
| **DOMESTIC FIXED INCOME** | | | | | | | | | | | | | | | | |
| ***Core Bond*** | | | | | | | | | | | | | | | | |
| **Western Asset** | **697,678** | **19.2%** | **20.2%** | **-1.03%** | **744,746** | **19.9%** | **20.2%** | **1.63%** | **728,665** | **19.5%** | **20.2%** | **1.87%** | **2.46%** | **7.29%** | **4.44%** | **5.64%** |
| *Lehman Aggregate* | | | | *2.17%* | | | | *3.00%* | | | | *2.84%* | *8.23%* | *6.12%* | *3.98%* | *4.48%* |
| ***Mortgage Backed*** | | | | | | | | | | | | | | | | |
| **Hyperion** | **178,441** | **4.9%** | **5.2%** | **-7.97%** | **199,213** | **5.3%** | **5.2%** | **-1.00%** | **198,326** | **5.3%** | **5.2%** | **-1.78%** | **-10.51%** | **N/A** | **N/A** | **N/A** |
| *Lehman Global Aggregate (US Securitized Portion)* | | | | *4.18%* | | | | *3.15%* | | | | *3.88%* | *11.63%* | | | |
| ***Core Plus/Enhanced*** | | | | | | | | | | | | | | | | |
| Clifton Group | 210,217 | 5.8% | 5.2% | 3.69% | 217,107 | 5.8% | 5.2% | 3.99% | 205,732 | 5.5% | 5.2% | 4.41% | 12.59% | 5.52% | N/A | N/A |
| Prudential | 204,520 | 5.6% | 5.2% | 0.95% | 208,162 | 5.6% | 5.2% | 2.45% | 200,267 | 5.4% | 5.2% | 1.95% | 5.44% | N/A | N/A | N/A |
| **Total Core Plus/Enhanced** | **414,737** | **11.4%** | **10.4%** | **2.35%** | **425,269** | **11.4%** | **10.4%** | **3.23%** | **405,999** | **10.9%** | **10.4%** | **3.18%** | **9.02%** | **5.95%** | **N/A** | **N/A** |
| *Lehman Aggregate* | | | | 2.17% | | | | 3.00% | | | | 2.84% | 8.23% | 6.12% | | |
| ***Index*** | | | | | | | | | | | | | | | | |
| **Bank of ND** | **359,787** | **9.9%** | **9.1%** | **2.94%** | **372,558** | **9.9%** | **9.1%** | **3.04%** | **362,719** | **9.7%** | **9.1%** | **3.09%** | **9.36%** | **5.45%** | **2.92%** | **4.32%** |
| *Lehman Gov/Credit (1)* | | | | *2.53%* | | | | *3.10%* | | | | *3.01%* | *8.89%* | *6.00%* | *3.04%* | *4.35%* |
| ***BBB Average Quality*** | | | | | | | | | | | | | | | | |
| **Wells Capital (formerly Strong)** | **710,770** | **19.5%** | **20.2%** | **0.36%** | **738,321** | **19.7%** | **20.2%** | **1.98%** | **718,998** | **19.2%** | **20.2%** | **1.48%** | **3.87%** | **7.93%** | **4.86%** | **6.59%** |
| *Lehman US Credit BAA* | | | | *-1.05%* | | | | *1.90%* | | | | *1.67%* | *2.51%* | *7.54%* | *4.47%* | *6.59%* |
| ***TOTAL DOMESTIC FIXED INCOME*** | ***2,361,412*** | ***64.8%*** | ***65.0%*** | ***0.00%*** | ***2,480,107*** | ***66.2%*** | ***65.0%*** | ***2.00%*** | ***2,414,708*** | ***64.5%*** | ***65.0%*** | ***1.84%*** | ***3.88%*** | ***7.11%*** | ***3.89%*** | ***5.04%*** |
| *Lehman Aggregate (2)* | | | | *2.17%* | | | | *3.00%* | | | | *2.84%* | *8.23%* | *6.12%* | *4.13%* | *4.87%* |
| **CASH EQUIVALENTS** | | | | | | | | | | | | | | | | |
| ***Bank of ND*** | ***183,425*** | ***5.0%*** | ***5.0%*** | ***0.70%*** | ***190,628*** | ***5.1%*** | ***5.0%*** | ***0.96%*** | ***183,769*** | ***4.9%*** | ***5.0%*** | ***1.24%*** | ***2.93%*** | ***5.36%*** | ***4.10%*** | ***3.00%*** |
| *90 Day T-Bill* | | | | *0.88%* | | | | *1.05%* | | | | *1.34%* | *3.31%* | *5.21%* | *3.78%* | *2.76%* |
| **TOTAL RISK MANAGEMENT FUND** | **3,642,551** | **100.0%** | **100.0%** | **-2.76%** | **3,745,547** | **100.0%** | **100.0%** | **0.21%** | **3,741,884** | **100.0%** | **100.0%** | **1.04%** | **-1.54%** | **11.20%** | **6.46%** | **7.26%** |
| *POLICY TARGET BENCHMARK* | | | | *-1.48%* | | | | *0.92%* | | | | *2.17%* | *1.57%* | *10.02%* | *6.27%* | *6.80%* |

**NOTE: Monthly returns and market values are preliminary and subject to change.**

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.
(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.